

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Richard P. Krasnow
Adam P. Storchak

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
LEXINGTON PRECISION CORP., <u>et al.</u> ,	: 08-11153 (SCC)
Debtors.	: (Jointly Administered)
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**DEBTORS' EX PARTE MOTION FOR A BRIDGE
ORDER EXTENDING DEBTORS' USE OF CASH COLLATERAL**

TO THE HONORABLE SHELLEY C. CHAPMAN,
UNITED STATES BANKRUPTCY JUDGE:

Lexington Precision Corporation and Lexington Rubber Group, Inc., as debtors
and debtors in possession (the "**Debtors**"), respectfully represent:

Relief Requested

1. As set forth in that certain stipulation, filed contemporaneously herewith
(the "**Eleventh Cash Collateral Order**"),¹ the Prepetition Senior Lenders² have agreed to

¹ Stipulation, Agreement and Order Pursuant to 11 U.S.C. §§ 105(A), 361, 362, and 363 (i) Authorizing Debtors to Use Cash Collateral and (ii) Granting Adequate Protection to Prepetition Secured Lenders (Eleventh Extension), dated May 27, 2010.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Proposed Eleventh Cash Collateral Order.

extend the Debtors' use of Cash Collateral through June 25, 2010 subject to further extension.

The proposed Eleventh Cash Collateral Order, however, remains subject to Court approval.

2. As the Debtors' use of Cash Collateral expires on Friday May 28, 2010, by this motion (the "**Motion**"), the Debtors request that the Court enter a bridge order, substantially in the form attached hereto as **Exhibit A**, extending the Debtors' use of Cash Collateral upon the terms set forth in that certain order, dated April 13, 2010 (the "**Tenth Cash Collateral Order**"),³ until such time as the Court enters an order determining the Eleventh Cash Collateral Order.

Background

3. On April 1, 2008 (the "**Commencement Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

5. On April 11, 2008, the United States Trustee for the Southern District of New York appointed the statutory creditors' committee (the "**Creditors' Committee**").

6. On May 26, 2010, the Debtors filed their *Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as Modified*, dated May 26, 2010 [Docket No. 894] (as may be further amended and modified, the "**Plan**"), and the disclosure

³ *Stipulation, Agreement and Order Pursuant to 11 U.S.C. §§ 105(a), 361, 362, and 363 (i) Authorizing Debtors to Use Cash Collateral and (ii) Granting Adequate Protection to Prepetition Secured Lenders (Tenth Extension)*, dated April 13, 2010 [Docket No. 864].

statement therefor.⁴ The Court approved the Disclosure Statement and the procedures to solicit acceptance of the Plan.⁵ The Debtors are now in the process of soliciting acceptances of the Plan.

Basis for Relief Requested

7. An extension of the use of Cash Collateral is necessary for the Debtors to continue to operate and prosecute confirmation of the Plan and maintains the *status quo* while the Court considers the proposed Eleventh Cash Collateral Order. As the Prepetition Secured Lenders have consented to the relief requested herein (as well as the relief requested in the proposed Eleventh Cash Collateral Order), no party is prejudiced by the relief requested herein. Based upon the foregoing, the Debtors submit that the relief requested is in the best interest of all parties in interest and, accordingly, request the relief be granted.

Jurisdiction

8. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Notice

9. Prior notice of this Motion has been provided to counsel for the Prepetition Senior Lenders, which have consented to this Motion. No previous request for the relief sought herein has been made to this or any other court.

⁴ *Disclosure Statement for Debtors' Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as Modified*, dated May 26, 2010 [Docket No. 895].

⁵ *Order Pursuant to Sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code and the Bankruptcy Rules 2002, 3003, 3017, 3018 and 3020 (i) Approving the Proposed Disclosure Statement, (ii) Approving the Procedures to Solicit Acceptances of Debtors' Proposed Plan, and (iii) Scheduling a Hearing and Establishing Notice and Objection Procedures for Confirmation of the Debtors' Proposed Plan*, dated May 26, 2010 [Docket No. 897].

WHEREFORE the Debtors respectfully request that the Court approve the relief requested herein, and grant the Debtors such other and further relief as the Court deems just and proper.

Dated: May 27, 2010
New York, New York

/s/ Adam P. Storchak

Richard P. Krasnow
Adam P. Storchak

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

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Exhibit A

Bridge Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11 Case No.
	:	
LEXINGTON PRECISION CORP., <u>et al.</u> ,	:	08-11153 (SCC)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		

BRIDGE ORDER EXTENDING DEBTORS' USE OF CASH COLLATERAL

Upon the *ex parte* motion (the "**Motion**") by Lexington Precision Corporation and Lexington Rubber Group, Inc., as debtors and debtors in possession (together, the "**Debtors**"), for entry of a bridge order extending the Debtors' use of Cash Collateral¹ upon the terms set forth in the Tenth Cash Collateral Order until such time as the Court rules on the Debtors' Eleventh Cash Collateral Order; and the Prepetition Secured Lenders having consented to the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and venue being proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409; it is hereby

ORDERED that the Debtors' use of Cash Collateral pursuant to the Tenth Cash Collateral Order is hereby extended until such time as the Court enters an order resolving the Debtors' Eleventh Cash Collateral Order.

Dated: May __, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Motion.